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# Evaluating Child Care Demand Guide





This guide will help you think about who needs your services, how and when demand for child care changes, and what you can do to increase the number of families you serve.

## Before We Begin:

### **Why Analyze Demand?**

Demand for child care has fluctuated dramatically throughout the COVID-19 pandemic. Understanding your customer base and current demand for your child care can help inform your business decisions.

### **Tips**

- There are two main resources to consider when thinking about demand for your services:
  - Talking directly to your customer base (enrolled families/families you would like to enroll)
    - Polls or surveys
    - Interviews with current enrolled customers, customers on the waitlist, and other potential customers
  - Gathering information from other sources (see the list of resources on page 6)
- With the fluctuating child care market, it is important to think about both the short term and long term demand from your customer base.

## Ready? Let's get started...

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# Describing your Current Customer:

First, let's get a sense of exactly who is in your current customer base. COVID has influenced families' child care needs in different ways. As the pandemic wears on, economists predict a recession that will also affect demand for child care. It is important to know your customer base so that you can react to COVID and recession impacts as they occur. What makes your child care business unique and different from other child care providers? How will COVID and a recession affect the families you serve?

## **Check all of the boxes that describe features of your child care business:**

- ☐ Family child care home
- ☐ Center-in-Residence
- ☐ Center
- ☐ Open on holidays
- ☐ Closed on holidays
- ☐ Open 1st shift only
- ☐ Open 1st and 2nd shift only
- ☐ Open 24 hours a day

## **Care for:**

- ☐ Infants/Toddlers
- ☐ 2 year olds
- ☐ 3-5 year olds
- ☐ After-school children
- ☐ Children with disabilities

## **Participate in:**

- ☐ Food program
- ☐ Subsidy program

## **COVID-19 specific:**

- ☐ Serving families of essential workers
- ☐ Serving families with parents that work from home
- ☐ Serving families with children doing virtual school
- ☐ Serving families with children with a higher risk of severe illness



## Define your typical parent(s)/guardian(s):

### Who Are They?

Age range: \_\_\_\_\_

Race: \_\_\_\_\_

Occupation type: \_\_\_\_\_

Annual income range: \_\_\_\_\_

Other: \_\_\_\_\_

Are they eligible for subsidy? \_\_\_\_\_

### Where Are They?

Where do they live? \_\_\_\_\_

Where do they work? \_\_\_\_\_

Current work schedule: \_\_\_\_\_

Are they categorized as essential workers during the COVID-19 crisis? \_\_\_\_\_

Are they working from home during the COVID-19 crisis? \_\_\_\_\_

Are they experiencing unemployment or working reduced hours during the COVID-19 crisis?

\_\_\_\_\_



# Establishing Demand within your Current Customer Base:

There are two ways to gather information about demand within your current customer base (families enrolled in your program or on your waitlist):

- Talking directly to your customer base
- Gathering information from other sources

By talking with your current customers (families enrolled in your program or on the waitlist), you can find out more about what drives their decision making.

## Here is a list of questions you may want to ask:

### For families enrolled in your program:

- Are you currently sending your child(ren) to child care?
- If not, do you plan to return in the next \_\_\_\_\_ (insert time period here)?
- Due to COVID-19, do you feel unable or unwilling to send your child(ren) to child care?
- What hesitations do you have about sending your child(ren) to child care?
- What conditions would make you feel comfortable sending your child(ren) to child care?
- If the 2020-2021 school year is virtual, how will that affect your child(ren)'s child care attendance?
- What do you like most about this child care?
- Why did you select this child care initially?
- Due to COVID-19, are there different features you need in a child care? (ex. Fewer hours, more hours, remote learning support, etc.?)
- Any other thoughts/comments?

### For waitlisted families (or families that inquired about care at some point recently):

- Are you currently sending your child(ren) to child care during the COVID-19 pandemic?
- If no, were you enrolled in a child care prior to the COVID-19 pandemic?
- What hesitations do you have about sending your children to child care?
- What conditions would make you feel comfortable sending your child(ren) to child care?
- Due to COVID-19, are there different features you need in a child care? (ex. Fewer hours, more hours, remote learning support, etc.?)
- Any other thoughts/comments?

## Get an understanding for what is impacting your current customer base:

### Demographics

How many children 0-5 years old live in your community, and how many of those need child care?

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What is the area's median income?

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Are there businesses that will be moving into (or out of) your community soon? Have businesses in your community gone out of business due to COVID-19?

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What is the unemployment rate in your area, and has it been getting better or worse? How has it been affected by COVID-19?

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Are COVID-19 cases high or currently rising in your area?

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### Child Care Information in Your Area

Is there subsidy money available in your area for child care?

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Is there 'NC Pre-K' money available in your area?

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Are children eligible for these funds on a waiting list because no child care slots are available (or because no funds are available)?

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Are certain types of child cares full (e.g. 5-star centers, programs that provide infant care)?

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Is there a specific child care need in your area (infant care, disability care, high quality care, etc.)?

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### RESOURCES:

Click to navigate to each resource's website.

#### DEMOGRAPHIC INFORMATION:

[Census information](#)

[Your local Chamber of Commerce](#)

[Employment Security Commission](#)

#### COVID SPECIFIC INFORMATION:

[NC Department of Health and Human Services COVID Tracker](#)

#### CHILD CARE SPECIFIC INFORMATION:

[Your local Childcare Resource & Referral](#)

[Your local Smart Start](#)

[Your child care licensing consultant](#)

[Your local Social Services office](#)

[NC Division of Child Development & Early Education](#)

[NC Partnership for Children](#)

[NC Association for the Education of Young Children](#)

## Other Child Care Funding

What is the market rate in your area for the ages you want to serve and the quality level you want to reach?

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Are there other funding sources available (Smart Start funds, food program funds, quality enhancement programs, etc.)?

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└─ Are you eligible to receive these funds? YES NO

Are there funding sources due to COVID-19 available?

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└─ Are you eligible to receive these funds? YES NO

## Child Care Industry Information

Are there new child care programs (and new funding sources) that you might be able to take advantage of?

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Are there new child care rules (including COVID safety guidelines) that you may need to meet?

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## Defining Your Customer Base in Your Own Words

Now, based on your responses above, summarize who your current customers are and how they are being affected by COVID-19 (Be very specific when describing your customer base. This will help you to determine what features you should provide, what marketing tools will grab their attention, and what changes in demand you can predict in the coming months):

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# Demand Moving Forward:

## Considerations for your Current Customer Base:

Below is a list of considerations when thinking about the demand for your child care services in the coming months. How these will impact the families you serve changes family to family. It is vital to talk to your families with enrolled children and families on the waitlist to see how their need for child care is evolving.

- Higher income parents may choose in-home care (nanny)
- Parents working from home may choose to keep the children home
- Parents may choose to keep children home if their older siblings will be home doing virtual school
- Parents who work in your community, but do not live there, and are working from home may choose to keep the children home
- In communities with high community spread of COVID-19 or growing infection rates, parents may choose to keep their children home
- Children or families who are at a high risk of severe illness may choose to keep their children home
- Parents experiencing unemployment, reduced hours, or reduced salary may no longer be able to afford child care

**NOTE:** When looking to expand your customer base during COVID-19, make sure the adjustments you consider will continue to be beneficial in the years to come. If you make a change to cater to school-age children, what is your plan for when schools reopen? Make sure the short-term and long-term benefits of any adjustments are being thought through.





## Expanding your Customer Base Moving Forward:

- What demographics in your community are most loyal to their child care? Essential workers? Parents of infants and toddlers? Do you serve those demographics?
- Do you currently accept subsidy? Has the number of families in your program with subsidy eligibility changed? Are they aware of and taking advantage of the subsidies?
- Are you able to care for children who are school-age and doing virtual school?
- Are you offering part-time care to parents? Would parents working from home be more likely to enroll their child in a half-day program?

Now, based on your responses above, summarize who you are interested in targeting as a potential customer and how they are being affected by COVID-19 (Be very specific when describing your potential customer. This will help you to determine what features you should provide, what marketing tools will grab their attention, and what changes in demand you can predict in the coming months):

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**NOTE:** *The above questions are thought prompts. They are not intended to be suggestions or recommendations.*

